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WINDMILL GROUP LIMITED
(海鑫集團有限公司)

(Incorporated in the Cayman Islands with limited liability)
(Stock Code: 1850)

**ANNOUNCEMENT PURSUANT TO
RULE 3.7 OF THE TAKEOVERS CODE
UPDATE ON THE POSSIBLE SHARE DISPOSAL**

This announcement is made by WINDMILL Group Limited (the “**Company**”) pursuant to Rule 3.7 of The Hong Kong Code on Takeovers and Mergers (the “**Takeovers Code**”).

Reference is made to the announcement of the Company dated 28 June 2021 (the “**Announcement**”) in relation to the Possible Share Disposal contemplated under the MOU entered in to between the Selling Shareholder and the Potential Purchasers. Unless otherwise specified, terms used in this announcement have the same meanings as those used in the Announcement.

PROGRESS OF THE POSSIBLE SHARE DISPOSAL

The Board wishes to update the Company’s shareholders and potential investors that, as of the date of this announcement, (i) the negotiation between the parties to the MOU in respect of the terms of the Possible Share Disposal; and (ii) the due diligence exercise being conducted on the Group by the Potential Purchasers and their professional advisers, remain ongoing. Up to the date of this announcement, no formal or legally binding agreement has been entered into in respect of the Possible Share Disposal.

MONTHLY ANNOUNCEMENTS

In compliance with Rule 3.7 of the Takeovers Code, monthly announcement(s) (this announcement being one of them) setting out the progress of the Possible Share Disposal will be made by the Company until an announcement of a firm intention to make an offer under Rule 3.5 of the Takeovers Code or of a decision not to proceed with an offer is made. Further announcement(s) will be made by the Company as and when appropriate or required in accordance with the Listing Rules and/or the Takeovers Code (as the case may be).

WARNING: THERE IS NO ASSURANCE THAT THE POSSIBLE SHARE DISPOSAL WILL MATERIALISE OR EVENTUALLY BE CONSUMMATED AND THE RELEVANT DISCUSSIONS MAY OR MAY NOT LEAD TO A MANDATORY GENERAL OFFER UNDER RULE 26.1 OF THE TAKEOVERS CODE. SHAREHOLDERS AND POTENTIAL INVESTORS OF THE COMPANY SHOULD EXERCISE CAUTION WHEN DEALING IN THE SECURITIES OF THE COMPANY, AND IF THEY ARE IN ANY DOUBT ABOUT THEIR POSITION, THEY SHOULD CONSULT THEIR PROFESSIONAL ADVISER(S).

By order of the Board
WINDMILL Group Limited
Li Shing Kuen Alexander
Chairman and Chief Executive Officer

Hong Kong, 28 July 2021

As at the date of this announcement, the executive Directors are Mr. Li Shing Kuen Alexander and Mr. Ma Ting Wai Barry; the non-executive Director is Mr. Chan Ming Fai; and the independent non-executive Directors are Mr. Pun Kin Wa, Mr. Tsang Man Biu and Mr. Lee Kwok Tung Louis.

The Directors jointly and severally accept full responsibility for the accuracy of the information contained in this announcement and confirm, having made all reasonable enquiries, that to the best of their knowledge, opinions expressed in this announcement have been arrived at after due and careful consideration and there are no other facts not contained in this announcement, the omission of which would make any statement in this announcement misleading.